

# MONEY AND LABOUR

AN ADDRESS

ON

THE CURRENCY QUESTION

DELIVERED AT THE

WORKING MEN'S CONFERENCE

IN

*The Colonial and Indian Exhibition*

BY

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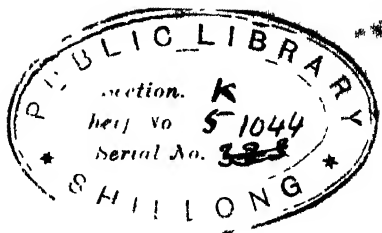
LONDON

KEGAN PAUL, TRENCH, & CO., 1 PATERNOSTER SQUARE

1887

[Published in accordance with Resolution  
passed at the Conference]

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## MONEY AND LABOUR.

THE words are familiar to us all, and to some may appear uninviting, as opening up questions in a difficult science, and one which has even received the nickname of the Dismal Science—Political Economy.

That science being only a century old, is not to be blamed for youthful errors ; and if I call attention to one of these, it is only because it bears so closely on our subject. It was taught by the old Economists that the profits of the employer were reduced to the extent of any advance he might give in wages ; Ricardo, Mill, and others ignoring the fact, that the better paid Labour can greatly increase the speed at which profits are earned, and that, in this way,

it is quite possible to raise wages and increase profits at the same time.<sup>1</sup> Unfortunately, this fallacy has had a disastrous effect, by stereotyping the conviction that the interests of Capital and Labour are antagonistic instead of harmonious.

The object of Political Economy has been stated to be the securing of the greatest happiness for the greatest number, but I think it would not be difficult to show, that its putting so limited an object before itself is partly the cause of its mistakes, and that no great success can be secured by it, until it enlarges its aim and seeks to ensure the happiness of all.

<sup>1</sup> For instance, a capitalist who expends a sum of £10,000 on a mill finds his profits at the end of the year to be £1,200, or 12 per cent., that is, 1 per cent. per month. He expends £5,000 (borrowed at 5 per cent.) on mechanical improvements, with the result that his mill will now produce in eight months what it formerly did in twelve. Assume, then, that he raises wages 10 per cent., his expenditure will be increased to £11,250; but as against it he will have his former profit, £1,200, made in eight months + £600 made in the remaining four, or £1,800, in place of £1,200 per annum.

I am not about to speak in a scientific way, or use a number of terms as to the precise meaning of which there has been dispute. My object is to deal with the question in a practical manner ; to show what I think is your interest in it, and point out one of the steps necessary for you to take, if you would ensure just relations between Money and Labour.

While it is my pleasure to speak to a conference of so-called working men, I disclaim any part in the misconception that you are a separate class. The common mistake of identifying Labour with merely manual work, tends to make people forget that all Labour is essentially a function of the brain, and that the hands, whether they write, or weave, or dig, or build, are but the instrument of thought and intelligence, so that whether a man be a Prime Minister or a pin-maker, he is in the truest sense of the word a working-man.

It is well that it should be so, for physiology

demonstrates that any organ of the body which falls into disuse must soon degenerate and decay ; and we may regard Labour as the means by which mankind is ever progressing towards a higher and united social order. Labour, therefore, which thus has the foremost place in the progress of Humanity, can never, or rather, ought never, to be associated with the term 'menial,' since, in any great work—as, for instance, a large engineering undertaking—the digging of earth for the caisson is as indispensable to safety and permanence as the designing of the arch or the girder ; so in the wide world's united effort, each man's toil will be found at the last to have had its fitting place and its equal dignity.

That Labour is not all happiness, is a painful truism ; enfeebled health, disappointment, mistakes, and difficulties often making it a weary task instead of a source of pleasure ; and the excessive amount of it that falls upon a large

class of the people going far to convert into a curse what was intended for a blessing. You may be familiar with Mr. Holman Hunt's picture, in which is portrayed a Carpenter's Shop, where One who has for ever dignified Labour stands weary and exhausted with the day's toil, and the outstretched arms of the Figure throw behind Him a shadow on the wall, the sign of the Cross, the symbol of suffering. But the history of past ages teaches that suffering bravely endured is the road to success; and there are those who can foresee a time, when throughout all lands the labourers will receive their full reward; when the suffering will have disappeared, and the fruits of victory will be reaped.

The second term with which we have to deal to-night is

### MONEY.

I shall not detain you with a scientific controversy about what constitutes Money, but shall

assume the Money of the civilised world to be Gold and Silver, whether coined or available for coinage, and paper representing one or the other of these metals. The volume of metallic Money which has been recently estimated as follows :

				Millions Sterling.
Gold	...	...	...	730
Silver	...	...	...	650

constitutes the measure or Standard by which the commodities of the world have been valued, so that if you were to suppose the one half of it to be destroyed, prices of everything bought or sold would be the half of what they had been.

Besides this metal there is a quantity of paper that stands for credit, and which has an effect upon prices by its contraction or expansion. The operation of credit may be illustrated by the improvement in steam power. We have now in our engines what is called 'triple expansion,' whereby the original supply of steam is made available three times instead of once. Credit is



the 'triple expansion' of Money, and the illustration may serve as a warning to the Paper-making school of Economists, who seem to forget that the steam is the necessary condition of there being any expansion at all !

The origin of Money was the demand felt for some simple machinery whereby exchanges between men or nations might be effected, a system of barter soon proving inadequate to the wants of a civilised community. While a man has a sheep to sell, and can find no one to give him anything but old hats in exchange for it, commerce is an impossibility : a something must be found which all men equally value and desire to obtain, and which, therefore, every one is able to give or to accept, in exchange for the commodities which he is anxious either to buy or sell.

Observe, that if this Money is to meet the wants of civilisation, its power as the standard or measure of all values should be as stable

as possible, and its genuineness guaranteed and shown upon the face of it, so that business transactions may be carried on upon a fixed basis, clear and intelligible to everybody. We do not want dirty bits of paper such as the pocket gets filled with abroad, where the note issued by a bank in one town must be exchanged at a loss in some other town, but we desire Money that will form a standard of value and a true and honest currency—that is to say, will run through an empire, and between one nation and another.

Here comes in the necessity for a State manufacture and guarantee of Money—of what is called Coinage, a business which civilised communities wisely entrust to the Government, and to no one else—whose stamp and superscription is proof to all men of the genuineness of the Money. Money, as I have called it elsewhere, should be a patent article made only by the State, if you would have it stable and reliable.

Mr. Giffen contends that there is an 'enormous' difference between the State coining Gold as at present, on the basis of returning coin, weight for weight, against Bullion, and the State doing so with Silver at the same time. He calls the one an 'automatic,' and the other a 'managed' currency, his conclusion being that the first alone is a proper function of Government, especially a Democratic Government.

Now, I should like to know what is the currency of the country to-day, if it is not a managed currency, and, indeed, how can a metallic currency be anything else? As we shall see later on, all legislation on this subject has consisted of Acts of management. The retention of Silver as the Norman Standard, the fixing of the ratio between Gold and Silver in the Stuart Period, the Acts passed in one succeeding reign after another for the Free Coinage of the two Metals, the temporary Suspension of the Silver Coinage in 1774, the Abolition of Silver Coinage

in 1816, the Substitution of a Gold Standard for a Bi-metallic One, the Deduction of Four Shillings from each Pound of Token Silver Coined, the Bank Act of 1844 and its Suspensions; are not all these Acts of management? and where is the 'enormous' difference between them and an Act which should formulate an agreement between the civilised powers of the world to coin Gold and Silver at a fixed ratio between the two metals? If it is within the province of Government to exchange with all comers, £3 17s. 10½d. for each ounce of Gold, whatever that Gold may have cost, it cannot surely exceed their functions, adopting a like principle in regard to Silver, to make the one exchangeable against the other. Nor can I agree with Mr. Giffen, that a Democratic Government is less likely than any other to undertake the management of a currency; rather I should say on the contrary, the tendency of democracy is to throw upon the executive more responsibility,

where the interests of the community are concerned.

Bear in mind that Money is the universal object of desire ; the object which the bulk of Labour has in view. The acquisition of Money means a command of the necessities, pleasures, and luxuries of life, as well as the power of holding command of them in a form neither deteriorating nor altering, and that can be handed on to others. Nor does the desire to obtain Money evidence a low ambition, since its possession may give to the holder the satisfaction of aiding others, of encouraging struggling ability and promising enterprises, and of helping in the works of philanthropy which illumine the gloom of Christendom. Money thus becomes the object of an universal human desire, and men are willing to give their Labour, and, alas ! are forced often to give a great deal too much Labour, to secure a very small amount of it.

It will be obvious that, inasmuch as there is

a certain amount of available Labour in the world, and there is also a fixed amount of Money to be had in exchange for it, the relations between Labour and Money are intimate and indeed indissoluble, and strictly proportionate. Let me illustrate what I mean, reminding you that illustrations of this kind pretend to no accuracy of detail, their purpose being simply to set forth a general principle. If the whole field of Labour were covered by one thousand labourers, and the production of Gold (which for the moment is assumed to be the only Money) was in one year 20,000 ozs., there would be 20 ozs. per head available for the labourers. If, in the following year, a sum of 60,000 ozs. was added to the stock of Gold, a great rise in what we call wages would follow ; but this rise would not be necessarily to the full extent of the increased production of Gold, because the labourers themselves would have spent the Money received in the former year, in

ways that would give rise to the employment of fresh Labour, and the number of persons seeking a return for their Labour out of the stock of Gold would have increased. But suppose that in the second year, in place of 60,000 ozs. there were no fresh supply at all, then assuming the number of labourers to be unaltered, there would be only 20 ozs. in the two years available for each man. He would have given twice the amount of Labour in exchange for the 20 ozs. This definite relation between Money and Labour, perfectly obvious in this limited sphere, is so important a one, and so apt to be overlooked in the presence of our complex economic conditions, that I venture to impress it by another illustration.

Set half a dozen children to play a round game, in which there are one hundred cards, and in order to enable the players to mark their winnings, give them a number of yellow counters and a number of white, each yellow counter to

count as twenty, each white counter as five, the two being interchangeable upon this basis. If now, after the game has been going on for some time, you give the children another hundred cards, and at the same time withdraw the white counters, it must be clear that the relation between each card and each yellow counter has been disturbed and altered. The loss of the white counters throws more work upon the yellow, and each yellow counter will exchange for a greater number of cards than it did at the outset. To obtain one yellow counter the children must give more cards. Let those yellow and white counters represent the Gold and Silver Money of the world, and the cards stand for the various commodities, including Labour (which is the commodity everyone has to offer in exchange for Money), and you get an idea of the existing monetary conditions affecting prices of Labour and all articles bought and sold, and there is before you a problem which I venture



to think you, as wage-earners, will, upon examination, say is one vitally affecting yourselves, and one to which, after many years' working, we have succeeded in attracting public attention. One, moreover, the importance of which is recognised by the Government, who have issued a Commission (composed, it is true, almost exclusively of Gold Mono-metallists, but one which at the same time we recognise as able and impartial), to inquire into the evils which it is considered have been caused by Legislative interference with these yellow and white counters of which I have spoken. And, fortunately, the Commission have a further task laid upon them, namely, not merely to inquire as to whether the alleged evils exist, but, in the event of their existence being established, to suggest the best means for their remedy.

The official notification of this appointment was given in the *London Gazette* of the 21st September, and states that the Commissioners will

be 'Arthur James Balfour,<sup>1</sup> Joseph Chamberlain,<sup>2</sup> Charles William Fremantle<sup>3</sup> (commonly called the Honourable Charles William Fremantle), Sir John Lubbock,<sup>4</sup> Sir Thomas Henry Farrer,<sup>5</sup> James Richard Bullen Smith,<sup>6</sup> David Miller Barbour,<sup>7</sup> John William Birch,<sup>8</sup> Lionel Louis Cohen,<sup>9</sup> Leonard Henry Courtney,<sup>10</sup> and William Henry Houldsworth,'<sup>11</sup> with Mr. G. H. Murray, the late Secretary of the Depression of Trade Commission, as Secretary.

The terms of the reference are as follows, the Commission being given the ordinary full powers of such bodies to call for evidence, books, and other necessary documents:—

<sup>1</sup> Secretary of State for Scotland.

<sup>2</sup> M.P. for West Birmingham.

<sup>3</sup> Deputy Master of the Mint.

<sup>4</sup> M.P. for London University and Banker.

<sup>5</sup> Late Chief Secretary to the Board of Trade.

<sup>6</sup> Member of Indian Council.

<sup>7</sup> Financial Secretary to Indian Government.

<sup>8</sup> Director of Bank of England.

<sup>9</sup> M.P. for North Paddington.

<sup>10</sup> M.P. for South-East Cornwall.

<sup>11</sup> M.P. for North-West Manchester.

And we do hereby enjoin you, or any five or more of you, to investigate the causes of the said recent changes in the relative values of the precious metals, and especially to inquire whether the said changes are due --

- (1) To the depreciation of Silver ; or
- (2) To the appreciation of Gold ; or
- (3) To both these causes.

If you should find the said changes to be due to the depreciation of Silver, you will then inquire whether such depreciation arises from increase of supply or diminution of demand, or from both, and you will endeavour to ascertain the proportions in which these different causes have operated.

If you should find the changes to be due to the appreciation of Gold, you will inquire whether the appreciation arises from the diminution of supply or from increase of demand, or from both, and you will endeavour to ascertain the proportions in which these different causes have operated.

Having regard to these different causes and their respective effects, you will next inquire what has been the bearing of the changes in the value of the precious metals on the following matters of practical business :—

I. INDIA : (a) Upon the remittances of the Government of India :

(1) For payment on old or fixed contracts.

(2) For payments on new or current contracts.

(b) Upon the persons in India who have to make remittances home in Gold.

(c) Upon the producers, merchants, and taxpayers of India.

(d) Upon the merchants and manufacturers at home who trade with India.

II. THE UNITED KINGDOM : (a) Upon the trade of the United Kingdom with other Silver-using countries.

(b) Upon the foreign trade of the United Kingdom generally.

(c) Upon the internal trade and industry of the United Kingdom.

If you should come to the conclusion that the aforesaid changes in the values of the precious metals are causing permanent or important evils or inconveniences to any of the interests above referred to, it will be your duty then to inquire whether it is possible to suggest any remedies within the power of the Legislature or the Government, by itself or in concert with other Powers, which would be effectual in re-

moving or palliating the evils or inconveniences thus caused without injustice to other interests, and without causing other evils or inconveniences equally great.

Lastly, if you are of opinion that this is possible, you will state the precise form which such remedies should take, and the manner in which they should be applied.

No sooner was this Commission appointed than the *Times* (whose opposition to any reform is generally more useful than its support) informed its followers, that 'hopes have been raised in many quarters, that the Royal Commission recently appointed to investigate the effects of the fall in the value of Silver upon International commerce, might possibly recommend our Government to listen to the appeals which have been made to them, to join the other Powers in some attempt to restore the metal to the price from which it has fallen. It will be satisfactory to those who entertain fears in that regard to learn that one member of the Commission at least, whose practical experience

and sound views will be likely to exercise considerable influence upon his colleagues, does not hesitate to let it be known that he intends to put his foot down at an early stage of the proceedings, and to stifle any attempt to discuss the question of tampering with the currency system under which this country has reached unrivalled prosperity and economical development. The member of the Commission referred to is of opinion that, as far as this country is concerned, all we have to do is to examine into the currency system of our Indian Empire, and to determine whether or not the time has arrived for assimilating that system with our own by establishing there a Gold standard.'

The prospect held out to us of being stifled, and having somebody's foot put down upon us at an early stage of the proceedings, was so uncomfortable a one, that questions were asked of the Government in the House of Commons

by some of our friends, with the result that Mr. Arthur Balfour labelled the above quotation from the *Times* as 'an unsigned article about an unnamed member of the Commission,' adding this scathing comment: '*I cannot believe that this opinion attributed to a member of the Commission, could possibly have been expressed, because the English as well as the Indian currency distinctly comes under the terms of reference to the Commission.*' The confusion of the writer of the unsigned article was made complete by the Chancellor of the Exchequer, who remarked a few days subsequently: 'I have nothing to add to the answer which my right hon. friend has given, except that the result of further inquiries which I have made privately is to confirm his views, that the statement in the article *was unauthenticated and unworthy of credence.*'<sup>1</sup>

<sup>1</sup> I should have cancelled this passage in mercy to the City Editor of the *Times*, had he had the grace to apologise for or withdraw his statement, thus pronounced to be 'unauthenti-

I will give you, in as few words as possible, two main points of the case, as it might be put before this Commission by those who are called Bi-metallists; a name which means simply, that those described by it desire to see Gold and Silver alike maintained in use as legal tender throughout the civilised world, believing, as they do, that any legislative action which reduces the volume of Money by decreeing that one, and one only, of the precious metals shall be legal tender, is pernicious to the progress and inimical to the interests of the country. 'cated' and 'unworthy of credence.' But, not content with this blot upon its escutcheon, the *Times* continues to put forth its unfair and offensive innuendoes against the Commission, as well as against Bi-metallists. Writing on October 13 it says: 'They (the Bi-metallists) feel equally secure of a favourable report from a Currency Commission, on which they have a good working majority! and they know that if ever their question comes before the country, the final settlement will be determined not by arguments but by votes.'

Anyone who will refer to the foregoing list of members of the Commission, will satisfy himself that the *Times* is again guilty of an 'unsigned article about unnamed members of the Commission,' equally as 'unauthenticated and unworthy of credence' as the first.



those who are expending Labour in the pursuit of Money.

But let me stop at this point to ask your attention to a consequence which springs out of the universal demand for Money ; namely this, that there is no fear of the world having too much of it. I never heard, and you never heard of any one complaining that he, as an individual, was overburdened with it. Even the railway monarchs of the United States seem perfectly open, when already in possession of five millions sterling, to absorb an equal amount ; like the shark or the boa constrictor, they can swallow more than they can digest.

The country, and almost every class in the country, are suffering keenly from the fall in prices which has taken place in the last ten years, and which is estimated at something like 40 per cent. The landowner feels it in the falling off of rents ; the tenant-farmer in the drop in prices of everything he produces ; the

farm labourer and the artisan in the lessened occupation which is the inevitable result of the employers' distress. And how this works out let me show you by figures given me, to the effect that if you convert, say, one million acres of corn land into pasture, you take away the occupation of no less than thirty thousand people. Within the last ten years this process has been going on in the kingdom, and there has been an exodus from the country into the towns, where men, who were once agricultural labourers, are now engaged in a miserable competition for a livelihood, or, to be more correct, starvation. There is, some people say, a rift in the cloud, and we have been even assured that there is a general revival of trade, which will culminate in a great outburst of activity. No doubt there has been a large business done on the Stock Exchange, and owing to a terrible drought in Australia, the supply of wool has proved unequal to the sudden demands of fashion

upon the stock ; but as yet there is no sufficient ground for expecting a permanent revival of trade, rather, I am afraid, the indications are lacking of any such demand in three of the great industries of the kingdom—Coal, Cotton, and Iron—as would be required to give full employment to the people ; while as regards a fourth, Agriculture, prospects are as gloomy as can be. Workmen may indeed congratulate themselves on the fact pointed out by Mr. Cobden, that ‘it is the interest of employers, having large amounts invested in fixed capital, to continue to employ their workpeople long after those investments cease to be profitable ;’ but, true as this is, there must be an end to business which is unprofitable, and the workpeople are already feeling the effects of lessened employment. In the North of England shipping trade, there has been a reduction in wages of 15 per cent. Within the last five or seven years Lancashire operatives have had to submit to a

reduction of from 5 to 10 per cent., and London labourers to the same; while in the colliery and iron trades, you must be well aware, some of the largest concerns are working at an annual loss, and have before them no immediate alternative, save the closing of their works or a reduction of wages. It must be remembered that these figures only show a part of the case. Of the trades employing large numbers of workmen, many have stopped working for two or three days in the week, so that even in districts where the rate of wages is unaltered, the amount of Money coming to the artisan is greatly reduced. This is notably the case in the Iron Trade, and a leading manufacturer in the Midlands supplies me with the estimate, that in the current year the total amount of Money paid in wages throughout the country will not be much more than one-half what it was in 1874.

There are, it is true, many who regard the

current statements regarding depression and the lack of employment as exaggerations, and opinions expressed on that side of the question should be hopefully examined. I may instance those of Lord Derby, contained in a recent speech at Liverpool, which becoming less hopeful as it proceeds, reaches the conclusion that though times 'have been in many respects unfavourable, and though there has been a severe check to progress, still progress continues, though at a retarded rate.'

Lord Derby's belief in progress is based on three considerations. First—

The increased consumption of 'simple luxuries.' 'In 1880 our home consumption of tea was 158 million pounds, in 1885 it had risen to 182 million pounds,' while the same test applied to sugar shows a consumption in 1880 of 19½ million cwts., rising to 24 millions in 1885.

Upon this it must be remarked, not in any

captious spirit, but as bearing materially upon the question, that it is too late in the day to designate tea and sugar as 'luxuries;' they must be ranked among the necessities of our population, and keeping in mind that the prices of everything have fallen thirty or forty per cent. within the last ten years, it is not much to expect that in a progressive epoch the use of necessities would very largely increase. To estimate the amount of such increase, we must, however, watch it year by year, and compare one period, not one year, with another. Let me, therefore, ask attention (repeating Lord Derby's apology for the dulness of figures) to the record respecting some of the leading necessities of the people during the past fifteen years, as shown by figures kindly placed at my disposal by Messrs. Francis Reid & Co., of Liverpool.

*Table showing the consumption, or quantity retained for manufacturing purposes, of the undermentioned articles in the United Kingdom.*

Year	SUGAR Raw & Refined	TEA	COFFEE	COCOA	WOOL Foreign	COTTON
	lbs per head	per head	per head	per head	per head	per head
1871	49·93	3 92	0 98	0·23	5·73	44·64
1872	50·47	4·02	1·00	0 25	5·21	36·30
1873	55·02	4·12	1 01	0·26	6·12	41·19
1874	59·40	4·27	0·99	0·28	6·04	44·35
1875	65·17	4·36	1·01	0·31	5·84	38·06
1876	58·39	4 56	1·02	0·32	6·51	39·48
1877	56 66	4·58	0·99	0 30	6·62	36·01
1878	60·97	4·75	1·00	0·30	5·90	35·97
1879	61·13	4·80	1·04	0·30	5·01	38·42
1880	62·33	4·66	0 96	0·31	6·56	41·31
1881	62·77	4·54	0·90	0·31	5·15	41·54
1882	62·30	4·62	0·89	0·34	6·18	42·13
1883	66·36	4·74	0·90	0·36	6·03	40·96
1884	66·09	4·82	0·91	0·38	6·66	40·91
1885	70 22	4·98	0·91	—	6·39	32·88

I do not know what you may say to these figures, but to my mind they are the reverse of reassuring. We began the last period of five years with a yearly consumption per head of 4 lbs. 11 ozs. of Tea, the cost of which was 10s. 5d., and we closed by consuming 5 lbs., at a cost of 10s. In the case of Sugar our consumption

rose from 62 lbs. 6 ozs., costing 20s. 10d., to 70 lbs., the cost of which would be only 10s. 8d. So that certainly there is no proof here of any increased purchasing power among the community—indeed, marking progress in this way too much resembles the military movement of ‘marking time.’

Lord Derby's second illustration is the increase of deposits in the Savings Bank. In 1880, these were ‘under £78,000,000,’ and in 1885 they had risen to £95,000,000, or seven shillings per head of the population. But of this £5,000,000 arises from a mere transfer of deposits from other banks which have been closed, and in other cases the savings have become visible, that is all. The facilities afforded by the Post Office have emptied the old stockings, the purses of domestic servants, and the money boxes of children in the middle class, and hence the £11,000,000 relied on as a proof of progress is very much overvalued.



The third proof adduced as evidence of progress is the growth of the Income Tax receipts. There are, however, fatal figures on this point,<sup>1</sup> and I would remind you that it is only at the end of three bad years that the effect is fully shown in the Income Tax. It will be seen clearly enough in 1887. But there are other considerations which will possibly induce us to disregard this tax altogether, as an economic barometer of the last five years. For everyone who has to pay

<sup>1</sup> *Income so far assessed to the Tax.*

	Assess'd	Increase in each period	Population	Increase of population in each period	Income assessed per head	Increase in each period, allowing for increase of population
	Mil Stg.	Per Cent.	Mills and Dec		£ and Dec	Per Cent.
1845	264	—	27·8	—	9·5	—
1855	308	16·6	27·8	—	11·1	16·8
1865	396	28·6	29·9	7·6	13·2	18·9
1875	571	44·2	32·7	9·4	17·5	32·6
1885	651	14·0	36·3	11·0	17·9	2·3

—From Paper read at Statistical Society, September 1886, by A. Sauerbeck.

on Income knows how the net has been gradually drawn round the whole community, till there are few, if any, who escape it; amongst the most ingenious devices being the collection of the tax on dividends which, till recently, were never taxed at all. Beside this, the total is, no doubt, considerably swelled by sums which might be recovered by payers on small incomes, if they were only familiar with the processes of Somerset House, and could press for recovery of over-paid tax without cost and trouble to themselves. If, lastly, it is remembered that amongst the trading classes there is not one in a thousand who will not continue to pay the tax, even when there is nothing on which to pay it, save a purely fictitious income, rather than expose his accounts to the Commissioners, I feel sure you will agree that this final illustration of our progress is even less convincing than the preceding two.<sup>1</sup>

<sup>1</sup> Lord Derby affirms that it is not upon the working classes'

I have dwelt at this length upon Lord Derby's view of the situation, because when he that the heaviest losses have fallen, and I believe it to be perfectly true that there are an immense number of the middle class, both traders and persons in receipt of small incomes, who have been and are suffering extreme privations, from a diminution or loss of profits or dividends, and some light is let in on their condition from the following returns of railway fares, which shows an extraordinary transference in the number of first and second class passengers to third class, a transference which cannot be explained away by the admittedly improved character of third-class carriages, for, as Lord Derby says with truth, private economy is not the strongest part of our social arrangements, and travellers of the first and second class have not changed their habits *except from compulsion*.

# RAILWAY PASSENGER TRAFFIC.

*Statement of the Receipts upon the undermentioned Lines from Passengers in First and Second Class.*

Year	Great Northern		Great Western		London & N. Western	
	First Class	Second Class	First Class	Second Class	First Class	Second Class
1872	214,880	233,688	430,045	512,099	757,412	620,620 *
1873	222,695	217,752	425,234	476,925	750,499	557,200
1874	228,231	220,587	422,761	506,043	759,969	561,755
1875	231,759	201,648	417,120	514,542	729,648	549,295
1876	217,990	189,220	477,979	694,460	681,783	538,435
1877	210,223	185,403	445,751	676,819	650,076	519,442
1878	200,980	185,361	413,828	676,552	619,205	495,340
1879	188,180	176,326	380,642	677,545	568,502	452,386
1880	186,962	177,795	379,143	710,288	567,849	439,106
1881	180,753	130,448	344,555	678,442	560,285	417,324
1882	179,566	125,060	363,107	706,556	553,183	398,130
1883	174,863	120,453	347,073	672,262	563,787	397,579
1884	167,295	114,845	326,812	537,483	534,591	389,648

speaks one always listens. He has urged as much, and urged it as clearly and forcibly as any man could do, and you must judge for yourselves how far my criticism detracts from the comfort which he offers.

I wish we could credit the comforting assurances of officials, that the labouring classes of the country were never so prosperous and contented. If I turn from officials to those practically acquainted with trade, to know the position, the outlook is far from a bright one. In a recent issue of the *Manchester Guardian*, it is alleged that those who have opportunities of knowing the present condition of the masses agree that there are unquestionably signs of a severe struggle for existence and exceptional distress. The Chairman of the Trades Union Congress has just set before his hearers the necessity of finding some remedy for the great lack of employment now existing. The *Economist* writes, in April last :—

'The yield of the Income Tax is diminishing. The working classes are less fully employed than before, and are earning less when employed, and pauperism, notwithstanding all that Trade Societies are doing to support their idle members, is increasing.' The Charity Organisation Society refers to the position as 'very grave,' and Mr. Chamberlain, speaking not long since with the responsibility of a Cabinet Minister, hinted that exceptional measures might be needed to relieve the distress.

The general fall in the prices of commodities, including Labour, means simply that Gold is becoming dearer. The appreciation of Gold is another term for the fall in prices, for, Gold alone is Money in this country, a man being unable to get a horse, or a plough, or a house, or a single article beyond mere daily necessities, in exchange for anything but Gold.

This is the first part of the case to which Bi-metallists are drawing attention. Gold is

growing dearer, an ounce of it becomes more and more difficult to secure. The landlord must give more acres in exchange, the farmer more wheat, and the working man more Labour.

There are still persons who dispute this.

First, we are met by some economists who dismiss the subject in a breath, asserting that the cause of the fall in prices is simply 'over-production ;' and, if they were right, we should have to admit that nature had become too prolific, and that the earth gave too lavish a reward to the Labour of man. But these objectors are sufficiently answered by one of the greatest economists in France, and whose evidence is the more valuable because he is opposed to us on the currency question. M. Paul Leroy-Beaulieu says : ' You cannot with any truth affirm an over-production of that class of articles, which are by far the most numerous, and intended in so many ways for the consumption of mankind. In this case supply

cannot, in any definite or absolute sense, be in excess of the needs and requirements of the world ; the hindrance in the distribution of such articles, the check to their exchange, can be only momentary, and arise not because too much is produced, but because it is not produced sufficiently cheaply , in other words, because, although every one wants to buy, every one has not the money to buy with.\*

Then there are the bankers, who so deservedly enjoy confidence, not only because of their accumulated wealth, but in virtue of the prudence and ability with which they conduct business. Now if anyone keeps a minimum balance of £100 for the year with his banker, the banker can without risk get one ounce of Gold for it, *i.e.* £3. 17s. 10½*d.*, by simply investing the £100 in some good security. Once he has so invested it, his ounce of Gold comes in year by year, without Labour or

\* *Revue des Deux-Mondes*, 1886, p. 403.

exertion on his part. Again, there are the Fund-holders. The capitalist takes up the Public Debt to the extent of, say, £1,000. He invests that amount in Consols, or, if you please, a Municipal Loan, and for that, without moving a finger, he receives each year ten ounces of Gold. He has not even to take the trouble to go for the Gold. There are some people who would walk a mile for an ounce of Gold, but your Fund-holder does not need to do even that much. You send it to him by post, at least the Bank of England forwards it; but keep in mind what that Gold is—it is the proceeds of taxation upon Labour and industry. Is it any wonder if we cannot bring this class of persons, the capitalists, to admit that Gold is growing dearer? Their interests were well defined by Mr. Ricardo in 1819 in the House of Commons. ‘It was their interest,’ he said, ‘to appreciate the currency—even to double its value—(i.e. to make Gold twice as dear as it



was), they being creditors and not debtors, their capital being in Money, or security representing Money.'

But capitalists are few, and the people are many. The creditors are numbered by thousands, but the debtors by millions. Let us see how these latter are interested. Look at the case of the employer first. He has borrowed Money in his business, and it is estimated that the total sum on loan in this way to the various industries of the country amounts to thousands of millions sterling. In return for each £100 lent him, the borrower must give 1 oz. and 80 grs. of Gold per annum, or £4. 10s. His rates and taxes are always growing heavier, and to meet these he must procure ten ounces of Gold for every £100 at which his property is assessed. Although his raw material is cheaper, yet all that his factory turns out has fallen 50 per cent. ; where he formerly received one ounce of Gold, he only gets eight

pennyweights, and therefore he must produce twice as much material for the same amount of Gold. At such a moment, consequent, perhaps, on speculations on the Stock Exchange, half a million Gold pieces are shipped to New York, which means an immediate rise in the Bank rate of discount, and a further handicapping of the unfortunate producer. That man—and he is representative of the vast manufacturing industries of the country—finds, to his cost, that Gold is growing dear. The dearness of Gold, or the cheapness of goods, whichever of the two terms is used, brings this as one of its consequences, that a large portion of the industrial plant in the country is probably not realisable at the amount for which it is mortgaged, so that its possession is being transferred from the producer into the hands of the Gold owner.

Nor is this all. It may turn out that the power of Gold owning is passing away from

this country to the Continent and America. It would not be surprising if the monetary revolution in Germany and the Latin union should have made it more difficult for England to retain her stock of Gold ; and should the statistics to which I can at present only refer, as in preparation by a member of our Council, prove correct, there seems no escape from the conclusion that we are undergoing a continuous drain of Gold from this country,<sup>1</sup> which is concealed from the superficial observer, but which, to those who note accurately the ebb as well as the flow of the tide, marks the establishment of a lower and a lower level in the supply. 'England,' as was once said by the *Saturday Review*, 'being the richest of countries, can buy as much gold as it pleases, and when it pleases,' to which Mr. Gibbs gave the trenchant reply, 'Yes, and

<sup>1</sup> Dr. Arendt, a leading German bi-metallist, has been recently expressing the same opinion, based on carefully prepared data.

*as dear as it pleases.*' Raise the Bank rate of discount—that is to say, offer a higher price for the loan of Gold, and you will get it without doubt. Advance the rate to 7 per cent., 8 per cent., or 10 per cent., and Gold will flow into the country in quantity, only remember that in the process, you are harassing every industry and probably ruining many traders. It is not the power of attracting Gold that I dispute; but whether our power of retaining a sufficient reserve of it is not being weakened, is a point that deserves more consideration than it has yet received. Against the actual exhaustion of its Gold the Bank of England has the power of protecting itself, but, as was remarked by Lord Overstone, 'to do this, she must produce upon the money market a pressure ruinous for its suddenness and severity; the Bank must save itself by the destruction of all around.'

Consider now the position of the employed. The farmer, the manufacturer, the colliery

owner, the ironmaster, finding that they cannot get as much Gold in exchange for their commodities as they have actually to pay away in what are called the fixed charges of their business, attempt to reduce wages. Then come strikes, bringing the greater suffering to the weaker side ; then the discharge of hands ; and lastly, the closing of works, till there are hundreds of thousands on short time, and hundreds of thousands of men and women without any employment at all, to say nothing of a larger number 'hovelled and hustled together, each sex like swine,' living on starvation. Many of the workers are forced to give sixteen hours of their Labour daily, in exchange for a few grains of that coveted Gold which the capitalist tells us it is all nonsense to call dear. Let the capitalist study the Report on the Housing of the Poor, or the School Board Returns, and then tell us if Gold is not growing dearer. 'Rents,' says the Report, 'are

gradually getting higher, and wages are not rising.' 'Five shillings a week rent for an unfurnished room, and fifteen shillings of uncertain wages coming in to keep a family of five children,' or again, 'seven children of school age, fee twopence a week each—total earnings ten shillings, rent five shillings and sixpence.' Does the capitalist realise what that means? For him, there is one ounce of Gold on each £100 he invests. For him, year by year that £100 is added to, as if by invisible hands; 480 grains of Gold being heaped upon the pile. But for many a labourer, what is there? Provided health and strength and occupation could be always assured, there would be the same number of grains of Gold as the exchange for five weeks' work, 300 hours of hard and often unhealthy toil. Three hundred hours for 480 grains of Gold— $1\frac{1}{2}$  grains per hour. Is it surprising if the one class say that Gold is cheap, and the other *feel* that Gold

is dear? Do you wonder if the lanes and courts of our cities utter the exceeding 'bitter cry'—

O God ! that Gold should be so dear,  
And flesh and blood so cheap !

We must be prepared for the objection coming from an authority deserving of the very highest respect.<sup>1</sup> 'Is it right to alter the currency for the purpose of benefiting debtors at the expense of creditors? Would it be right to alter it to benefit creditors at the expense of debtors?' Of course we should unequivocally answer, No. All wise legislation aims at benefiting the nation as a whole, and not any one class 'at the expense' of another class. It is on this ground that we demand the restoration of the free coinage of Silver, and the establishment of the Bi-metallic Standard of values. We believe the industrial progress and stability of

<sup>1</sup> Lord Bramwell to Mr. H. H. Gibbs : *The Bi-metallic Controversy*, p. 338.

the country to be largely dependent on it, and although the directer and more immediate advantage would accrue to the debtor class, yet increased prosperity must come to the creditor from a fresh outburst of enterprise, involving more remunerative rates to those who have capital to lend. We may indeed adopt the words of the author of the Monetary Revolution of 1816. We are 'anxious to obtain the great desideratum of replacing the currency on its old and established principle, to do so in a manner the most gradual and the least likely to occasion even temporary inconvenience; in short, to adopt such means of attaining the end in view, as might divest the question as much as possible of every rational objection that might otherwise be advanced.'<sup>1</sup>

On the respective claims of creditor and debtor, it has been urged that owing to the sums lent by this country abroad, England is

<sup>1</sup> Lord Liverpool, House of Lords, 1819.



emphatically a creditor country, and must be benefited therefore by the dearness of Gold. The force of the argument may be admitted, but as foreign countries become more wealthy, their indebtedness to England is being every year reduced ; and further, as will be shown presently, the dearness of Gold is only the half of our case, and you will find that the mischievous legislation complained of has deprived this country of the inducement to invest her accumulated capital in the greatest markets which were once open to her, viz., Silver-using countries ; so that the conclusion seems a fair and reasonable one, that if the two standards Gold and Silver were again united as the one bi-metallic standard, a fresh outlet would be at once afforded for a nation like ours which has so much money to lend.

The time allotted me forbids my dealing with all the objections that have been made to the Bi-metallist doctrine, which I ask you

to study as a preliminary to embracing it ; but we have recently been favoured with what may be considered a formal answer<sup>1</sup> to our case, by the President of the Institute of Bankers, and as his address is a fair illustration of the line taken by our opponents, I will touch upon his remarks that you may be able to estimate their value. First, there comes the important concession that the adoption of the free coinage of Silver would restore its former value relative to Gold, and that the old existing relations between money and commodities would reassert themselves. On the other hand, says Mr. Tritton, 'fixed charges' would not rise ; and therein, I may say at once, should we bi-metallists rejoice, because if you have followed me, you will agree that it is the incubus of these fixed charges that is crushing its life out of the national industry. But when Mr. Tritton goes on to include salaries

<sup>1</sup> *Times*, October 12,

and wages among the things that will remain unaffected, he is in opposition to past experience no less than to acknowledged leaders of his own school. If it was the case, as Professor Jevons pointed out twenty years ago, that the rate of wages was raised when the increased volume of currency became apparent, words need not be wasted in proving that if the volume be now added to by the restoration of Silver as Money, the better relations existing between employer and employed, combined with the more complete organisation of labour, will enable you to obtain your fair share in the general prosperity. Mr. Tritton predicts an economic revolution from the adoption of bi-metallism, and one might imagine he was quoting from a book of Mr. Chevalier's, translated by Mr. Cobden in 1859, in which all the dreadful things that frighten Mr. Tritton in connection with the increased use of Silver, were prophesied as being about to come upon the world, from the

enormously augmented production of Gold. We can very well afford to leave the Gold adherents among the prophets, being content to be guided ourselves by reason and experience. You are able to judge whether ruinous results or profitable ones have followed from additions to the stock of Gold or Silver in times past and whether there is anything in the present constitution of things to lead us to expect a different result now.

There are three statements in Mr. Tritton's address, which are curious as coming from a high and professed authority. It is asserted that were it necessary (under a bi-metallic system) to export Money from this country, 'Gold would be the first to be shipped by reason of the lesser cost of transport,' whereas, as everyone knows, except for the infinitesimal cost of boxes, the charges for the transport of Gold are exactly the same as on Silver, freight and insurance being charged *ad valorem*.

A second statement is, that when the alarmists' predictions have been realised. when the country has been drained of Gold and 'flooded with Silver,' this Silver would not circulate as currency, but would be hoarded in the Bank of England for the sole advantage of 'the privileged exchange bankers and brokers till there was a glut of loanable capital,' 'compared to which former periods of plethora have been as nothing.' If this exaggerated language be dissected, you cannot fail to find it a tissue of fallacies. In the first place, it must be evident that, with international bi-metallism, the power of other countries to draw Gold from England would be less than it is under our existing system. At present any balance of trade against us must be paid in Gold, whereas under a bi-metallic currency it might be paid in Gold, or in Silver, or in both, and, as just explained, there are no considerations of transport forming any practical inducement to ship one metal rather

than the other. Again, what is to bring this supposed flood of Silver upon us, save an immense increase of our exports, which we should all rejoice to see as causing more employment and better wages? You, however, know very well that if this healthy development of exports were to occur, a country like ours would take payment in increasing supplies of the produce of other lands, and only any small balance,<sup>1</sup> if one remained in our favour, would be remitted in Money. Lastly, and only for the sake of argument, if these large sums in Silver were received, what conceivable reason is there for supposing that they would not serve exactly the same purpose as Gold? Bank notes and cheques would then as now represent legal tender, the legal tender being Gold and Silver, as was the case before the suspension of specie payment in 1797. There would be no break in the con-

<sup>1</sup> For some years past the movements in Gold have aggregated about two millions sterling per annum,

tinuity of trade or the method of conducting business.

The third statement of Mr. Tritton which requires correction is contained in these words : 'The country was not bi-metallic up to 1816 as men would have us believe,' and I quote the expression, as illustrating the unworthy insinuations in which the Gold party can indulge, when an appeal to history is inconvenient or when arguments are scarce. Instead of attending to what 'men would have us believe,' I invite your attention to a brief outline of our Monetary history, as it is recorded in the Statutes and Parliamentary debates.

The standard or measure of values in this country from the time of William the Conqueror was the pound troy of Silver, and it acquired the title of sterling from the popular confidence in its genuineness. Gold was first coined in 1344, the new coins circulating at a fixed ratio to Silver.

By an Act of Charles II. (1666), the mints were open to the free coinage of both Gold and Silver.

This statute was kept in force by successive Acts passed in various reigns.

In the first year of George III. (1760) it was again confirmed, the Act stating that great benefit hath arisen from the encouragement of coinage of Gold and Silver Monies.

In 1768 an Act was passed to make 'perpetual the free coinage of Gold and Silver.'

In 1774, the coinage of Silver was suspended till 1798, complaints having been made of foreign 'light Silver coins,' which were becoming current as 'legal tender.' The Act therefore limited the amount of Silver coins which could be paid in discharge of debt to £25, any larger sum to be reckoned *by weight*.

In 1798, the foregoing Act was decreed in force until 1799, on the ground that His Majesty had appointed 'a committee to take into consideration the state of the coins of this king-



dom.' In the succeeding session this Act was made 'perpetual.'

Before passing on, it is important to realise the effect of this legislation.

In 1745, the condition of our Silver coinage had been so disgraceful that Leake writes : ' Our sixpences are many of them worn to groats, and some shillings are not much better in proportion.'

There was scarcely any Silver coined after 1760, but in the five years from 1773-1777 the coinage of guineas and half-guineas amounted to twenty millions sterling—and hence, while faith in the Silver pound sterling was disturbed, the new guinea became the principal coin of the realm, notwithstanding repeated demands of the people for Silver.

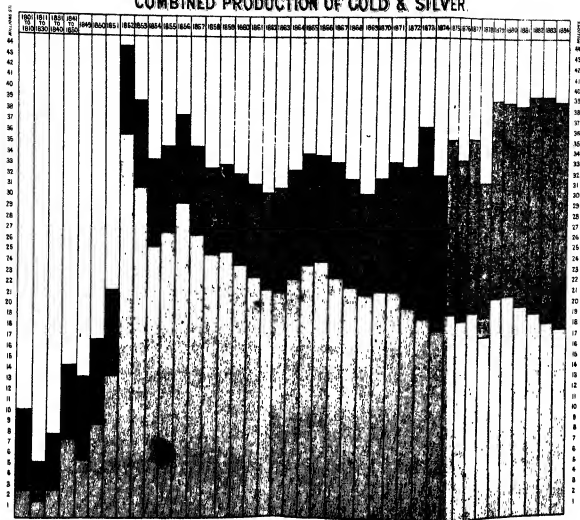
Resuming our historical survey, we notice in 1797 the momentous step taken under an Order of Council on February 26, the suspension of specie payments.

From this date to May 1, 1821, a period of

a quarter of a century, Paper Money was the currency of England.

But observe most particularly that, during the whole of this epoch, Gold and Silver were never deprived of their character of legal tender. Gold coins would have been received by the creditor only too gladly to any extent, and Silver coins also, with the proviso that if light they should reckon by weight when the amount was over £25. The position was thus stated by a leading member of the House of Commons in 1816: 'Under our Monetary Laws, no contract stipulated to be paid in pounds sterling, or in good lawful Money, can be legally satisfied in Gold coin unless the coin shall weigh in the proportion of  $\frac{2}{3}\frac{1}{2}$  per cent. of 5 dwts. 8 grs. standard Gold for each pound sterling, or in Silver coin, for a sum exceeding £25, unless each coin shall weigh in the proportion of  $\frac{2}{3}\frac{1}{2}$  of a pound troy of standard Silver for each pound specified in the contract.'

TABLE SHOWING  
COMBINED PRODUCTION OF GOLD & SILVER.



Represents Gold.

Represents Silver.



With such facts before you, I will leave my correction of these statements in your hands. Gold and Silver coins, alike available for the discharge of debt to any amount, provided the coins were not debased—if this be not bi-metalism, I have failed to understand the meaning of the term after twelve years' study of it.

The Act of 1816 was the first that demonetised Silver ; establishing the single Gold standard, and taking away the right to the free coinage of Silver, a right which had existed in England ever since the establishment of regular mintage. The Committee employed on this legislation reported : ‘It has *hitherto* been the practice of Her Majesty’s Mint to return to those who import Silver for the purpose of having it converted into coin, a quantity of coin equal in weight to the quantity of standard Silver so imported, the expense of coining been borne by the public. So long as Silver coins were standard coins of the realm this principle

appears to have been the wise one, and the Committee consider that it should be adhered to in respect of Gold coin, *which is now to be declared* to be the standard coin of the realm.'

One last word with Mr. Tritton. He says: 'The avowed object of the scheme (bi-metalism) is to raise prices all round,' and then he goes on to predict the awful consequences that will follow; while in the closing scene of his address he makes his appearance in the prophetic garb, drawing a glowing picture of the new era of prosperity to follow the Gold discoveries of this year in Western Australia, Queensland, the Argentine Confederation, the Transvaal, Montana, and India—the prospect of all combined, seeming 'to eclipse the original Australasian discoveries.' So that after all it would appear that prices are to rise apart from our 'scheme.' But then, says Mr. Tritton, this will come about by 'entirely natural means.'

Such language is misleading. What is there

natural about Gold that becomes unnatural in respect of Silver? If it be for the benefit of the community that there should be a rise in prices till they are remunerative, and if as we agreed (if I understand Mr. Tritton) that this would be the consequence of an unprecedented addition to the volume of metallic currency, can you find any grounds of reason or common-sense for denouncing the bi-metallists, who, taking a less exalted view of Indian and Western Australian Gold mines, urge you to make the best of what you have—the combined volume of the precious metals Gold and Silver already within your reach?

You may reduce prices by restricting the volume of metallic currency, decreeing that the 600 millions of silver in the world shall no longer serve as money, just as you might reduce the population by condemning half the males of it to celibacy, but neither effect would be produced by ‘natural means;’ still, if Mr. Tritton

clings to his discovery, that the Act of 1816, transforming England into a Gold mono-metallic country, was an Act in harmony with the laws of nature, he will at any rate allow us to believe that it was exactly the reverse, and for this reason, among others, to demand its repeal.

There have been other writers against us, who, as Mr. Grenfell has said, 'find it is a simple matter to crush bi-metallism. To do so it is only necessary to take Lord Liverpool's book and Sir Robert Peel's speeches, to talk of Harris, Petty, and Locke, to bring out the most well-known passages of their writings, to ignore everything that has happened since 1868, and to speak of the impossibility of thwarting the eternal laws of production. Then, by mixing up in hopeless confusion, standard, currency, legal tender, and unit of account, it is possible to produce a most able paper, which must be quite satisfactory to the orthodox worshippers of



the golden image which Nebuchadnezzar the king has set up.'<sup>1</sup>

Of some of our critics it must indeed be said in the words of Junius, 'To be mad' is a misfortune, but to rave in cold blood is contemptible.' There is one objection, however, which I desire to notice, coming as it does from statesmen and others who, although they take a deep interest in the subject, have not had leisure to study it in all its aspects. Mr. Chamberlain, when remarking on the universal fall in prices some time since at Cardiff, found consolation in the thought, that low prices are beneficial to the consumer. The same idea prevails in the mind of another distinguished member of the House of Commons, who writes me to this effect: 'You cannot reduce wages further; the working classes will not stand it; and therefore the greater the purchasing power of the sovereign, the better for the workpeople.'

<sup>1</sup> *The Bi-metallic Controversy*, p. 199.

The objection is a plausible one, and I hope to hear your opinion of it in the course of the evening. But allow me to say why I think it is fallacious. In the first place, it assumes that there is a class of consumers in the country who are not producers. So there is. There are drones as well as bees in the hive ; but the drones are NOT the working classes of the country. In the second place, the assertion that it is impossible to reduce wages is, I fear, an unsustainable one, there being no escape from Mr. Giffen's conclusion, that if the price of manufactured goods continues to fall, the alternative lies between a decline in wages or the loss of wages altogether, by the closing of factories. In the third place, endeavouring to balance the advantages which would result to the working class from a rise in all commodities, Labour included, or a continued fall, I submit that a rise must bring them the greater benefit. There is no ground to fear any material advance

in the actual necessities of life ; for increasing population and colonisation assure to this country, so long as she rules the sea, cheap food for the people ; while the higher scale of wages, and the greater employment which would come with a fresh outburst of enterprise, such as nothing but an increased volume of metallic Money can bring about, would give the artisan the command of more Money, which he could spend or save as he pleased. And, lastly, those who talk of falling prices as in the interest of the consumer—by which they mean the working classes—forget altogether the significance of that terrible burden of indebtedness which is shown in the diagram before you. If food gets a trifle cheaper, the fixed charges that you have to bear grow the heavier. Taxes, rates, and rent, demand more ounces of Gold year by year, so that more Labour on your part will be required to provide it.<sup>1</sup> Mr. Giffen,

<sup>1</sup> In some parts of London 46 per cent. of the working class are paying one quarter to one half their wages in rent.

indeed, tells you in his pleasant, jaunty way that 'the fall in prices, considering the length to which it has gone, is a phenomenon which working men should carefully study in their own interests, and they should be prepared to some extent for a reduction in Money wages. What concerns them is not Money wages, but real wages. It is quite possible that in a period when Money wages are falling along with all other Money values, their real condition may improve, because the fall in Money wages is less than the fall in the Money prices of the principal commodities they consume.'<sup>1</sup> You need not concern yourselves if you get less Money wages, because your real wages, which are the commodities you consume, are cheaper. My belief is ~~that~~ you will prefer to keep the Money wages intact, and spend it on commodities at your discretion. Besides, if Gold be not your real wages, your taxes, rates, and rent are very real, and they

<sup>1</sup> *Statistical Journal*, 1885, p. 73.

are calculated and fixed in Gold. The argument might serve if the tax gatherer, or the rent collector, would accept payment in these cheaper commodities, but nothing but Gold will satisfy the public creditor or the landlord. In any case, if Mr. Giffen be correct, let him be logical also. 'What is sauce for the goose is sauce for the gander.' Nothing could be more acceptable to a Chancellor of the Exchequer, than to be shown by the statistician of the Board of Trade (a department for which we pay £106,000 per annum), that as the prices of commodities, which were the *real* salaries of officials, had fallen 40 per cent., a reduction of the nominal salaries by the same percentage was desirable and would be welcomed—£12,000,000 per annum to be saved on the Civil Service Estimates!

Let us now see how the dearness of Gold has arisen.

Two causes have been at work :—

1st. The increased demand for, and lessened production of, Gold.

2nd. The legislative action against Silver, which, by stopping the demand for it as money, has caused a continuous fall in its price, and enhanced the value of the alternative metal.

At the opening of the century, when the gloom of our Colonial and Foreign wars was beginning to pass away, the only Money in this country was paper. But with the return of peaceful times, and the hope of prosperous times, the Government wisely resolved to call in this paper, and restore the metallic currency of the kingdom, saying, through their spokesman, Lord Liverpool, that they aimed at restoring the old Monetary Standard of England. You have convinced yourselves that, up to the year 1815, a debt of any amount might be paid either in Gold or Silver coin, but that in consequence of the condition into which the Silver coinage had been allowed to

lapse, a payment over £25, if made in Silver, was reckoned by weight, and not by the number of coins ; a reasonable precaution—the metallic circulation being made up of Birmingham counterfeits, which swelled the criminal calendar, or by old twelve and twenty-four sous pieces imported from France. I will not detain you by going into the whys and wherefores of Lord Liverpool's procedure, but must emphasise two facts. First, that he succeeded, in the year 1816, in passing an Act which put an end to the use of Silver as lawful money in this country ; he introduced the single Gold Standard together with the sovereign, as the one Monetary unit and principal coin ; and he converted what had been a full-value Silver coinage into mere token money, such as we have it now, and which means that at this moment the shilling in your pocket is not really worth eightpence measured by Gold. Second : At the date of this legislation, the country was owing a public debt of 800

millions sterling, the bulk of it having been incurred at a time when Gold and Silver and depreciated paper were all money,<sup>1</sup> and the first result, therefore, of this piece of legislation was to benefit the creditor because the interest upon this large debt was hereafter to be payable in Gold

<sup>1</sup> M'Culloch estimates that only about two-fifths of this sum was actually received by the Government owing to the onerous terms on which it was borrowed. One illustration will suffice. In the year 1815 a loan of twenty-seven millions sterling was placed, which was nominally a 3 per cent. loan. But in return for each £100 lent the country the creditors received bonds for £174, bearing interest at 3 per cent., and for £10 at 4 per cent., making the annual demand upon the taxpayer for interest £5. 12s. 4d. per cent.

Mr. Wm. Fowler apologises for the legislation of 1816 on the ground that, 'the larger part of the existing Debt was created between 1797 and 1816 on a paper basis, when cash payments were suspended, or since 1816, under the single Gold Standard. The argument therefore does not apply to the whole Debt' !\* The Debt contracted *since* 1816 is not in question ; but as regards the effect of the Act of 1816 on the then existing indebtedness, Mr. Fowler's answer only makes matters worse. For if it be injurious to the debtor to be forced to repay in Gold what he has borrowed in Gold *and* Silver, much more injurious must it be to be compelled to repay in Gold what has been lent in depreciated paper ! This was foreseen and commented on at the

\* *The Appreciation of Gold* (Cobden Club, 1866), Pref. p. 4.



only, and so, indeed, was the principal, if ever paid off at all. The dearer that metal became, the heavier must that burden of debt press upon the taxpayers. And it became felt, terribly felt. The writings of Economists, the trade reports, the rick burnings, the factory destruction, the armed conflicts that occurred in this country between 1816 and 1849, testify to the disastrous condition of England, socially and commercially. 'It is impossible,' said a well-known writer in the *Economist* for 1849, 'to look back on the many trying scenes of suffering through which the people have passed since the peace, when no wars or earthquakes, no pestilence or great national calamity could explain their suffering, without admiration. Perishing with hunger in the midst of property they were the chief instru-

\*time by Mr. Lewis in the House of Commons, May, 1816, in regard to the recent loans: 'We had borrowed 200 millions in a depreciated currency, and this sum, it should be recollected, must be one day paid in a currency restored to its legitimate value, at a ruinous loss to the public.'

ments of creating, they respected the possessions of the rich.'<sup>1</sup>

'The night is darkest before the dawn ;' and daybreak, happily for England and the world, came at this epoch. For the first fifty years of the century, the metal, Gold, for which everybody was striving then as now, had been produced only to the extent of about thirty millions sterling. Australia and San Francisco changed the face of the world. In the twenty years which followed 1851 (1851-1872), they yielded the all-coveted metal to the extent of 500 millions sterling, this metallic store being increased by 190 millions of Silver. 'It may be regarded as conclusively proved that the Gold discoveries were made at a most opportune time, and that they averted a most serious evil, for if we had been left to the

<sup>1</sup> It is strange that the introduction of the Gold Standard in 1816, and the consequent increase of burden on the taxpayer, did not strike the writer in the *Economist* as being what it really was, 'a national calamity.'

old resources of obtaining Gold, England's commerce could not have expanded as it has during the last few years without a large and sudden fall in prices.<sup>1</sup>

It is needless to dwell upon the outburst of enterprise and unlimited employment for Labour which followed the Gold discoveries, or point out that what had happened before under similar conditions, happened again. The golden rain fell as showers that water the earth, and the desert blossomed as the rose. I prize as highly as any one the legislation which unfettered commerce, repealed navigation laws, and improved the conditions between employers and employed ; but of what use had it been to free commerce if there had not been the increased means and facilities for carrying it on ? What use to repeal taxes and remove restrictions upon shipping, if there were not the Gold to pay for the construction of new ships ?

<sup>1</sup> Fawcett's *Polit. Econ.*, b. 3, c. 15.

And what use to talk about and write about better feeling between master and man, without the one practical form of reconciliation—higher wages and greater prosperity for both? The opening up of new countries, the development of Colonies, the vast extension of commerce—this has been our machinery for working out social progress in the last half of the century; but I make no secret of the opinion that, if it had not been for the immense additional supply of what was, and is, the motive power of mankind, all this machinery would have been as unworkable as a locomotive without steam.

If you would test the worth of that opinion, contrast the period referred to with the last ten years, during which there have been falling prices, failing energies, and languishing enterprise throughout the markets of the world.

The fall is attributed by some to increased facilities of communication, and the economising of labour by machinery. It is questionable;

however, if, having regard to the extent of trade and population, there has been greater relative advance in these directions (at least in England),<sup>1</sup> than during the period of prosperity alluded to, and during which, unfortunately for the arguments of our opponents, there was an important rise in values of all kinds, while the Revenue advanced by leaps and bounds.

What is the history of Gold during the past ten years? The supply available as Money has been diminishing, till a competent estimate puts it, that there is no annual increase whatever to the Gold circulation of the world. I fully admit the existence of contributory causes<sup>2</sup> in the fall of prices, but, looking the facts in the face, and correctly estimating the relation between Money

<sup>1</sup> Railway extension in this country during the fifteen years ending 1870 was 6,869 miles, as against 2,599 in the succeeding period ending 1885.

<sup>2</sup> Several pages of Mr. Fowler's essay (see *ante*) are occupied with an enumeration of these causes which no one disputes. The difference between us is as to their proportionate and relative bearing upon prices.

and Labour, we cannot doubt that the decreased stock of the one must compel the owner of the other to give an increased amount of his Labour in exchange.

These facts about Gold do not explain the whole case. During the first period under review, an amount of Silver was produced to the extent of 190 millions, the total production of the two metals being therefore 700 millions. You have seen from that time onwards the production of Gold diminished year by year, while, on the other hand, the output of Silver increased, amounting in the second period to 226 millions ; and it is instructive to notice that for the last thirty years the joint production of the two metals has varied to an insignificant extent ; there having been thirty-nine millions of Gold and Silver in 1853, and thirty-nine millions in 1883.

Well then, if the volume of the precious metals was the same — and remember that

really it had been increased by the extension of the credit system, of which I spoke at the outset—how are we to account for ten years of disastrous fall in prices and decreasing revenue? We consider it to have been largely the work of a monetary revolution, in which one metal was dethroned; a movement which threw the world's monetary machinery out of gear.

At the close of the war, the German Government was induced to put the same ban upon Silver Money that England had done in 1816, and to sell off 3,280 tons of Silver Money for the best price it would fetch, investing the proceeds in Gold, which was to be the sole Monetary Standard of the Empire. But the loss involved—five millions sterling—proved too much for Prince Bismarck, and the process was stopped at that point, and before the German finances were ruined. The mischief, however, had been done; faith in Silver Money had been shaken. France, Italy, Belgium, and

Switzerland put an end to the coinage of Silver, and meantime there came fresh demands for Gold from the United States and Italy ; so much so, that within ten years 200 millions sterling of the metal has been withdrawn from its old channels, and has taken the place of Silver or paper money.<sup>1</sup> The inevitable fate happened to Silver which must happen to anything going out of use, or of which the use becomes restricted. If the Legislature were to pass an Act that only crowned heads should wear chimney-pot hats, you know what would be the effect upon the price of that article

<sup>1</sup> Mr. Fowler (see *ante*, p. 11) urges that this Gold merely changed its locality. He says: 'The Gold is there although the localities in which it is stored or used may be changed.' That is quite true, and similarly might be said of the water in a stream which was tapped at several points for purposes of irrigation. But the water would be supplying demands *never made on it before*, and if the source of the stream were threatened at any time, the value of the water would rapidly 'appreciate.' The truth seems to be that, during the interval between 1870-84 about 170 millions of Gold have been used to withdraw uncovered note issues.



which we all use and abuse ; and when one country after another determines that they will manufacture no more Silver Money, the effective demand for the metal (which is the regulator of value and not the cost of production) comes to an end.

It would take too long, to show all that this implies to the 200 millions of our fellow-subjects in the East, whose only money is Silver. You have given a certain unhealthy, because artificial, stimulus to industry in India, but you have increased the burden of the peoples' debt, and you have put it out of their power to secure the loan of English capital for the carrying out of the railway extensions, on which India's real progress and prosperity depend. You have forbidden the investment of 400 millions of English capital, which might be profitably employed upon railways in Silver-using countries, if only Gold and Silver were legal tender throughout the civilised world. I

have lived in countries where famine was raging within a few miles of a favoured district in which there was superabundance for man and beast. There, intercommunication was impossible, because of the barriers raised by Nature between the one locality and the other. But in the case of England and India the situation is far worse. True, there are no natural hindrances to the overflow of English wealth upon the reproductive soil of India ; but legislation has built up the barriers and stopped the flow of currency between the people. It is legislation that stays the rush of enterprise from West to East, and prevents the fall of showers of English capital upon the plains of India.

On this, the second, perhaps even the more important, part of our case, I must not linger. We talk of the Empire being one and united, and yet the East and the West cannot exchange their commodities except on a kind of 'truck system,' of which some of you may

remember the abominations. What would you say if your wages were paid, not in money but in some material which you must turn into money before knowing the result of the week's work, and for which every week you received less and less money? Yet that illustrates the condition of trade with the Eastern portion of the Empire, and thus you have descated, what all will agree with Mr. Giffen should be the primary object of a Metallic Currency, viz. 'to secure a common medium of exchange within a particular community; to save communities from the necessity of barter by instituting a common article, for which everything can be bought or sold.'<sup>1</sup> This year's Exhibition has done more than anything, perhaps, to deepen a longing for the Federation of the Empire, and the Queen and Empress has expressed her 'conviction, that there is on all sides a growing desire to draw closer in every practicable way

<sup>1</sup> *Journal of the Institute of Bankers*, June, 1886.

the bonds which unite the various portions of the Empire.' The unity of a Monetary system, Gold and Silver, as the common Standard of Value, and the medium of exchange for Labour and other commodities, is one of those bonds ; an essential step to Federation, so far as it rests upon unrestricted and progressive commerce.

We say that enterprise is handicapped by legislation ; that industry is being weighed in a false balance. The hoarder of Gold benefits by its dearness, while those who procure it by over-much toil and effort, suffer. The precious metals, which have become the object and the reward of Labour, are so because they form the Money of the world, and to cast away by legislation any portion of them is to arbitrarily destroy values and disturb trade. It did so in England in 1816, though it may be said for Lord Liverpool that our small population, our scantier trade, our insular prejudice, made it

impossible to appreciate the results of his revolution. Had he foreseen that while Gold was made by law the sole Money of one portion of the Empire, Silver was to become the Money of a still larger and greater portion; that five-sixths of our commerce was to be carried on with Silver-using countries, and that for the maintenance and safety of commerce, a common Monetary Standard, a common Measure of Value was as necessary between London and Calcutta, as between London and Glasgow, he would, I doubt not, have come to a different conclusion to the one at which he arrived. He carried his measure without consulting the people of the country, and he forced it through a House of Commons elected by the votes of free and independent electors, the price of votes being, according to Mr. Wilberforce, two guineas apiece, or four for 'a plumper.' The prosperity of the country from 1850 to 1870 called off attention from the painful history of the previous

twenty years, and it fostered throughout Europe a certain idolatry of Gold, the decreasing supply of which was not perceived, so long as Silver swelled the volume of the currency ; but the moment this volume was interrupted by the legislation of 1873, alarm was aroused.

Reform comes slowly in this country. For ten years a small section of Englishmen have been challenging the soundness of England's Monetary system, and for seven years of that period they were exposed to the taunts of their enemies and the grim pleasantries of their friends. This is at an end : the old world answer of the people in 'Sleepy Hollow' is felt to be no answer at all, and the stern logic of facts is forcing the country to take an interest in a question underlying her commercial prosperity and the happiness of her people. Among the Vice-Presidents of the League demanding the restoration of the free coinage of Silver, there are already forty members of the Legislature from

all political parties, beside men of commercial and agricultural experience, who, if I may presume to say so, are at least the equals in intelligence of their anonymous and irresponsible Critics. There is proof enough that our arguments and statements of fact are influencing opinion. The Associated Chambers of Commerce of the Kingdom have passed a resolution in sympathy with our object, and in the hall in which we meet to-day, at the most important gathering of the Chambers of Commerce of the whole Empire, we were supported by a large majority.

Happily, the question is not one which touches party politics, the Chancellor of the Exchequer being in agreement with Lord Rosebery, that 'one of the most pressing questions is the question of the currency.'

We are not asking an impossibility—we are not crying for the moon. Forty years ago Sir Robert Peel maintained it to be 'quite consistent

with the principle of a metallic standard to select Silver instead of Gold as the standard, *or to have a mixed standard of Silver and Gold, the relative value of the two metals being determined.*<sup>1</sup> Gold and Silver are to-day, as they have been for years past, the Standard of Value and equally good money to any amount in France, Belgium, Switzerland, and Italy. The monetary system of Europe may be made harmonious if we revert to the monetary Standard which prevailed of old in England. The moment we adopt it other powers are ready to do the same. The Governments of Europe and America are often appealed to by Gold mono-metallists to act without England and establish the Bi-metallic system for themselves. If they were to do so, the control of the Eastern trade would most probably soon pass out of the hands of this country, and there is a large party in Germany who, impressed with this conviction, have been urging their Government to make common cause with

<sup>1</sup> Speech on Bank Act, 1844.



America, with the avowed object of snatching the commercial supremacy from England ; but up till now, Prince Bismarck has been firm in insisting on an English alliance for the restoration of the Gold and Silver standard, and he knows what the advocates of the Gold standard in England fail to see, that the British Empire is, of all countries, the largest holder of Silver and the one most vitally interested in the maintenance of its value.

The opening of the world's mints to the free coinage of Silver, will create an unlimited demand which, as in the case of Gold, should keep the value of Silver stable and reliable. If the owners of Silver mines benefit, so be it. You do not grudge their profit to any other producers, and why to them ? For those who say the Silver miner will have too large a share of profit, there is always the alternative of investing in Silver mines and so losing sight of the force of the objection.

Let me beg you to keep your thoughts fixed and your energies concentrated on this one point—the restoration of the free coinage of Silver, and its use as legal tender. Do not allow the simplicity of your demand to be evaded by the assumed difficulty of fixing the amount of Silver that is to be the equivalent of a stated quantity of Gold, when the two metals once again form the one Standard of Value, and are of equal use as Money. Only let it be agreed, that in twelve months after the meeting of an International Conference, the Mints of the world shall resume the free coinage of Silver, and there is reason for believing that the question about the ratio between Gold and Silver will solve itself ; for the prospect of an unlimited demand for Silver will act as it did in the past, and as it does at present in the case of Gold, the probability being (though this I express with deference as an individual opinion) that it will prove not only reasonable but practicable.

to maintain the ratio which worked so well up to 1873, viz. fifteen and a half of Silver to one of Gold.

The last International Conference on the subject was held in Paris in 1881, and the following extracts from the speeches of the leading representatives show the unanimity of opinion among the Great Powers :—

Mr. Fremantle expressed the desire of England 'to find a means of giving its co-operation in the work undertaken by the Conference, viz. the restoration of the value of Silver.'

The German Delegates said : ' We recognise without reserve that a rehabilitation of Silver is to be desired, and that it might be attained by the re-establishment of the free coinage of Silver in a certain number of the most populous States, if these States should adopt as a basis a fixed relation between the value of Gold and that of Silver.'

The opinion of Italy, as expressed by Count

Rusconi, was that 'the crisis, this unhappy crisis which we are going through, has already lasted too long ; it cannot last much longer. There are questions which you may refrain from raising, but which, once raised, must be solved, and the Silver question is one of them. No danger can arise in trying, once for all, to make Silver again Money, as it always has been.'

The Delegate of the United States said :  
' We recognise the common necessity. We will stand side by side with other States in maintaining the monetary functions of both metals ; we will concert as to the proper relations between the two ; we will open our mints to the coinage of both, upon such rates as we shall together deem just, and upon that ratio we will hold each metal to be the peer of the other in all our trade, domestic and foreign.'

The Representative of Holland maintained  
' that the diminution in the value of Silver and its great oscillation are a misfortune for all the

world. These phenomena cannot be attributed to the increased production of Silver; they are the result, predicted as early as 1873, of the various legislative measures which have followed each other since 1872. According to my profound conviction, there is but a single remedy. It is the adoption of Bi-metallism by a considerable group of States, . . . and if we restore Silver to the place it has so long occupied in all monetary transactions, we shall deserve well of the commerce and industry of mankind.'

M. Dumas, on behalf of the French Government, said: 'What touches and interests me, is the abundant population that labours, lives on little, can be poor and frugal, and has need of Money suited to their wants. On their behalf—for their sake, I demand the maintenance of Silver Money which shall be legal tender, and for this reason, international in its use, and this Silver Money I hold to be the rightful Money, not only of the middle class, but also of the

artisan and the labourer, who, I confess, are to my mind the most interesting, as they are the most considerable, portion of the nation. For them, the producers and wage-earners, Gold is often a chimera, but Silver is their daily bread, the safeguard for the morrow.'

We have lately been assured (Cobden Club Pamphlet, see *ante*, p. 58) that 'no one proposes to demonetise Silver; no one suggests that recent proceedings were wise.' Of what avail is a statement of this sort, in view of the active and influential propaganda against Silver going on in the United States, and of the proposal made to stop the coinage of Silver in India? Does Mr. Fowler fail to see the growth of national sentiment, so infectious a thing and so powerful, that it induced Italy to pay heavily for a Gold coinage; 'compelled,' as her representative said, 'by the most elementary prudence not to expose herself to serve as a reservoir of debased metal'? and so long as England boasts that

she must have nothing but Gold money because of her wealth, so long will other nations rapidly increasing in wealth be tempted to substitute Gold for Silver as their currency.

Thus it would seem that there are three courses open in our monetary policy. We may act on the principle of leaving things alone ; in which case we must be prepared for a further demonetisation of Silver, involving, as was said by Baron Rothschild, ' a veritable destruction of values without any compensation,' accompanied by a severer struggle for Gold, the sole metal left as the basis of an International currency.

Or, our refusal to resume the free coinage of Silver may bring about a Bi-metallic convention between Germany, the Latin Union, and America, which would destroy our supremacy in Eastern trade.

Or, lastly, we may revert to the Bi-metallic Standard, thereby putting our monetary system in harmony with Europe and America, so

establishing an International currency and giving an impetus to International trade.

We are now at the parting of these roads, and the gravity of the next step cannot be over-estimated.

My object has been to show the interest that Labour has in this question. Silver is pre-eminently the Money of the labourer. The wage-earner is not troubled with counting sovereigns on a Saturday ; his object, if he knows the value of thrift, will be to see that as much as possible of the Money he earns can be put by to improve his social position and the prospects of his children. It is your Money that is being wilfully set aside and held to be no longer Money, and the setting aside of it means the contraction of the world's currency to an enormous extent. No one denies that a great find of Gold would stimulate industry, but without the reopening of the Mints to Silver there can be no settlement of the currency question. For,



as I have tried to show, it is not merely the dearness of Gold that is the cause of our depression, but it is the simultaneous dislocation brought about by legislation, in the long-continued relations between Gold and Silver. The joint volume of the currency, Gold and Silver, must be maintained as the one common measure of the world's work, unless you would have frequent violent disturbances in values and constant friction in International trade. Those who charge us with tampering with the currency are discharging a boomerang which turns on themselves. We are opposed to all their artifices for the inflation of prices by paper currency and their quack receipts of every kind. The position we take up, is that it is for no Government to say that the gift of Nature, the Precious Metals, shall not perform the functions for which they have been found fitting, and now and in the future be made subservient to the use to which they have been appropriated

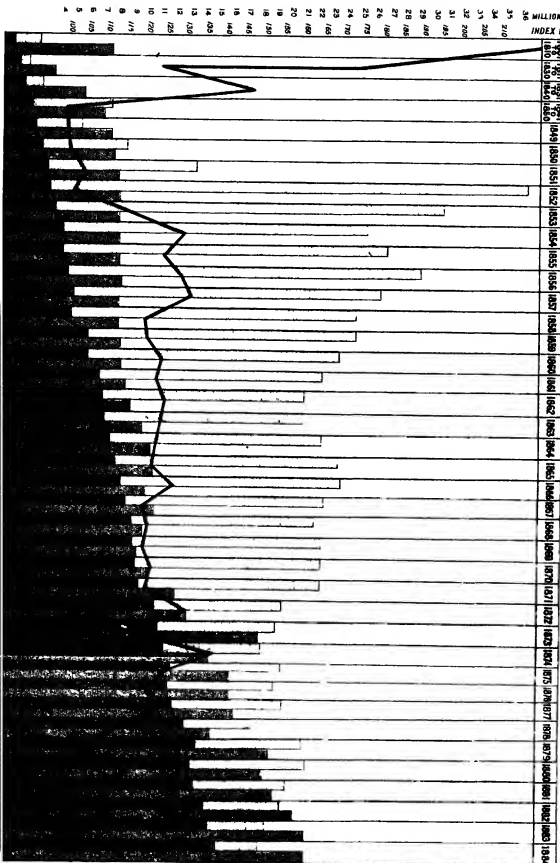
in the past, namely, the Measure of the value as well as the reward of Labour.

Of the Diagrams illustrating the Lecture, two are reproduced here in a numerical form.

Table 1 shows the annual production of Gold and Silver in millions of pounds sterling.

Table 2 shows the course of prices of leading commodities for the same period.

INDEX NUMBER



INDEX NUMBER

**BLACK LINE SHOWS RISE & FALL IN PRICES OF COMMODITIES**

**Represents total.**

Represents Silver.

*Consumption of food in Arts.*



TABLE No. I.

DATE	SUPPLY		Total of Gold and Silver
	GOLD	SILVER	
	Millions	Millions	
1801—1810 ...	2.6	7.7	10.3
1811—1820 } ...	1.6	3.6	5.2
1821—1830 }	2.7	5.3	8.0
1831—1840 ...	7.5	6.9	14.4
1841—1850 ...	5.4	7.8	13.2
1849 ...	8.9	7.8	16.7
1850 ...	13.5	8.0	21.5
1851 ...	36.6	8.1	44.7
1852 ...	31.1	8.1	39.2
1853 ...	25.5	8.1	33.6
1854 ...	27.0	8.1	35.1
1855 ...	29.5	8.2	37.7
1856 ...	26.7	8.1	34.8
1857 ...	24.9	8.1	33.0
1858 ...	25.0	8.2	33.2
1859 ...	23.9	8.2	32.1
1860 ...	22.8	8.5	31.3
1861 ...	21.6	9.0	30.6
1862 ...	21.4	9.8	31.2
1863 ...	22.6	10.3	32.9
1864 ...	24.0	10.4	34.4
1865 ...	24.2	10.1	34.3
1866 ...	22.8	10.8	33.6
1867 ...	22.0	10.0	32.0
1868 ...	21.2	9.5	30.7
1869 ...	21.4	10.3	31.7
1870 ...	21.4	12.2	33.6
1871 ...	19.9	13.1	33.0
1872 ...	DEMONETISATION OF SILVER.		
1873 ...	19.2	17.9	37.1
1874 ...	18.2	14.3	32.5
1875 ...	19.5	16.1	35.6
1876 ...	19.0	14.8	33.8
1877 ...	19.4	16.2	35.6
1878 ...	17.3	14.7	32.0
1879 ...	20.8	18.6	39.4
1880 ...	21.0	18.2	39.2
1881 ...	19.9	18.8	38.7
1882 ...	19.3	20.5	39.8
1883 ...	18.3	21.4	39.7
1884 ...	17.9	21.4	39.3

It must be noted that the quantity of Silver is valued on the old ratio of 15½, so that the figures in the last period must be reduced 20 per cent., or one-fifth.

**TABLE No. 2.**  
**SHOWING THE VARIATIONS IN THE PRICE OF COMMODITIES**  
**1809—1885.**

The calculations are based on the annual average of fifty of the principal articles of commerce.

The index number 100 represents the very low range of prices in 1849.

The numbers in excess of 100 indicate a relative advance in price, and the numbers below it a fall.

Year	Index Number	Year	Index Number
1809 .....	245	1864 .....	122
1819 .....	175	1865 .....	121
1829 .....	124	1866 .....	128
1839 .....	144	1867 .....	118
1845 .....	100	1868 .....	120
1846 .....	100	1869 .....	119
1847 .....	122	1870 .....	120
1848 .....	106	1871 .....	118
1849 .....	100	1872 .....	128
1850 .....	101	1873 .....	113
1851 .....	103	1874 .....	134
1852 .....	101	1875 .....	126
1853 .....	116	1876 .....	123
1854 .....	130	1877 .....	124
1855 .....	125	1878 .....	114
1856 .....	129	1879 .....	100
1857 .....	132	1880 .....	115
1858 .....	118	1881 .....	108
1859 .....	120	1882 .....	110
1860 .....	124	1883 .....	106
1861 .....	123	1884 .....	100
1862 .....	124	1885 .....	95
1863 .....	123		